

# **EXHIBIT I**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K**

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended September 28, 2007

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

001-13836  
(Commission File Number)

**TYCO INTERNATIONAL LTD.**

(Exact name of registrant as specified in its charter)

Bermuda  
(Jurisdiction of Incorporation)

98-0390500  
(IRS Employer Identification No.)

Second Floor, 90 Pitts Bay Road, Pembroke HM 08, Bermuda  
(Address of registrant's principal executive office)

441-292-8674  
(Registrant's telephone number)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Name of each exchange on which registered
Common Shares, Par Value \$0.80	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III or this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting common shares held by non-affiliates of the registrant as of March 30, 2007 was approximately \$61,353,813,918 or \$24,060,223,857, as adjusted for the one for four reverse stock split and Separation described herein. The beneficial common share holdings of all executive officers and directors of the registrant as of October 2, 2006, have been deemed, solely for the purpose of the foregoing calculation, to be holdings of affiliates of the registrant.

The number of common shares outstanding as of November 22, 2007 was 494,815,892.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's proxy statement filed within 120 days of the close of the registrant's fiscal year in connection with the registrant's 2008 annual general meeting of shareholders are incorporated by reference into Part III of this Form 10-K.

See pages 87 to 91 for the exhibit index.

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## TABLE OF CONTENTS

	<u>Page</u>
<b>Part I</b>	
Item 1. Business	1
Item 1A. Risk Factors	13
Item 1B. Unresolved Staff Comments	26
Item 2. Properties	26
Item 3. Legal Proceedings	27
Item 4. Submission of Matters to a Vote of Security Holders	42
<b>Part II</b>	
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	43
Item 6. Selected Financial Data	47
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	49
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	81
Item 8. Financial Statements and Supplementary Data	83
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	83
Item 9A. Controls and Procedures	83
Item 9B. Other Information	85
<b>Part III</b>	
Item 10. Directors, Executive Officers and Corporate Governance	86
Item 11. Executive Compensation	86
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	86
Item 13. Certain Relationships and Related Transactions, and Director Independence	86
Item 14. Principal Accountant Fees and Services	86
<b>Part IV</b>	
Item 15. Exhibits and Financial Statement Schedules	87
Signatures	92
Index to Consolidated Financial Statements	94

Unless otherwise indicated, references in this Annual Report to 2007, 2006 and 2005 are to Tyco's fiscal year ended September 28, 2007, September 29, 2006 and September 30, 2005, respectively.

## Competitive Strengths

We believe that we have the following competitive strengths:

- *Leading market positions and brands.* We have leading market positions in each of our segments, and a number of well recognized brands. For example:
  - *ADT Worldwide* is one of the world's largest providers of electronic security systems and services to the commercial and residential markets (*ADT* and *Sensormatic*).
  - *Fire Protection Services* is one of the world's largest providers of fire detection and fire suppression systems and services (*SimplexGrinnell*, *Wormald* and *Mather & Platt*).
  - *Flow Control* is one of the world's largest manufacturers of valves and related products (*Keystone* and *Vanessa*).
  - *Safety Products* is a major designer and manufacturer of fire suppression products (*Ansul* and *Grinnell*), breathing apparatus for emergency workers (*Scott*), intrusion security products (*DSC* and *Bentel*) and video and access control products (*American Dynamics* and *Software House*).
  - *Electrical and Metal Products* is a major manufacturer of galvanized steel tubing and cable products (*Allied Tube & Conduit* and *AFC Cable*).
- *Global reach and significant scale of operations.* We are a global company, in terms of sales, manufacturing and services. We conduct business in more than 60 countries, and 53% of our 2007 net revenue was generated outside the United States, with 29% in Europe, 16% in the Asia-Pacific region and 8% in the Other Americas. We believe the global nature of our businesses and our extensive sales networks allow us to offer our services and products worldwide to our multinational customers, differentiating us from our competitors, and to participate in the higher growth potential of emerging markets. In addition, we have an extensive global manufacturing presence and operate over 200 manufacturing facilities around the world. Our global manufacturing footprint and our significant scale of operations provide us with greater flexibility to reduce our costs through manufacturing efficiencies, purchasing power and resources for product design, marketing and customer management relative to our smaller competitors.
- *Diverse portfolio of services and products.* We offer a broad portfolio of services and products, which allows our customers to fulfill many of their needs by purchasing solely from us. For customers that purchase multiple services or products across many geographic areas, the breadth of our offerings allows us to serve our customers in ways that many of our competitors cannot.
- *Diverse customer base.* Our customers operate in many different industries and countries, which allows us to leverage our skills and experience across many end markets. For example, we provide our electronic security services and products to many of the world's largest retailers, many of the leading banks in North America and to over five million households and over one and a half million business locations globally.
- *Favorable long-term growth opportunities.* We operate businesses in a number of different markets that have attractive characteristics and solid growth prospects. ADT Worldwide continues to experience strong growth rates due to continued commercial, residential and governmental demand for our broad range of market leading security systems and services. We expect that growth in Fire Protection Services will be driven by non-residential construction, by refurbishment and upgrades of existing systems and by increasingly demanding fire codes. We

**TYCO INTERNATIONAL LTD.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**Years ended September 28, 2007, September 29, 2006 and September 30, 2005**  
**(in millions, except per share data)**

	2007	2006	2005
Revenue from product sales	\$ 12,095	\$ 10,974	\$ 10,342
Service revenue	6,686	6,362	6,323
<b>Net revenue</b>	<b>18,781</b>	<b>17,336</b>	<b>16,665</b>
Cost of product sales	8,723	7,874	7,232
Cost of services	3,718	3,553	3,503
Selling, general and administrative expenses	4,828	4,475	4,699
Class action settlement, net	2,862	—	—
Separation costs	105	49	—
Goodwill impairment	46	—	—
Restructuring and asset impairment charges, net	210	13	17
Losses on divestitures	4	2	23
<b>Operating (loss) income</b>	<b>(1,715)</b>	<b>1,370</b>	<b>1,191</b>
Interest income	102	43	39
Interest expense	(313)	(279)	(322)
Other expense, net	(255)	—	(296)
<b>(Loss) income from continuing operations before income taxes and minority interest</b>	<b>(2,181)</b>	<b>1,134</b>	<b>612</b>
Income taxes	(334)	(310)	(29)
Minority interest	(4)	(1)	(2)
<b>(Loss) income from continuing operations</b>	<b>(2,519)</b>	<b>823</b>	<b>581</b>
Income from discontinued operations, net of income taxes	777	2,781	2,492
<b>(Loss) income before cumulative effect of accounting change</b>	<b>(1,742)</b>	<b>3,604</b>	<b>3,073</b>
Cumulative effect of accounting change, net of income taxes	—	(14)	21
<b>Net (loss) income</b>	<b>\$ (1,742)</b>	<b>\$ 3,590</b>	<b>\$ 3,094</b>
<b>Basic earnings per share:</b>			
(Loss) income from continuing operations	\$ (5.09)	\$ 1.64	\$ 1.15
Income from discontinued operations	1.57	5.53	4.96
<b>(Loss) income before cumulative effect of accounting change</b>	<b>(3.52)</b>	<b>7.17</b>	<b>6.11</b>
Cumulative effect of accounting change	—	(0.03)	0.04
<b>Net (loss) income</b>	<b>\$ (3.52)</b>	<b>\$ 7.14</b>	<b>\$ 6.15</b>
<b>Diluted earnings per share:</b>			
(Loss) income from continuing operations	\$ (5.09)	\$ 1.60	\$ 1.13
Income from discontinued operations	1.57	5.38	4.68
<b>(Loss) income before cumulative effect of accounting change</b>	<b>(3.52)</b>	<b>6.98</b>	<b>5.81</b>
Cumulative effect of accounting change	—	(0.03)	0.04

Source: TYCO INTERNATIONAL L, 10-K, November 27, 2007

Net (loss) income	\$	(3.52)	\$	6.95	\$	5.85
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**Weighted-average number of  
shares outstanding:**

Basic	495	503	503
Diluted	495	521	542

See Notes to Consolidated Financial Statements.

**TYCO INTERNATIONAL LTD.**  
**CONSOLIDATED BALANCE SHEETS**  
**As of September 28, 2007 and September 29, 2006**  
**(in millions, except share data)**

	2007	2006
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,894	\$ 2,193
Accounts receivable, less allowance for doubtful accounts of \$195 and \$203, respectively	3,010	2,748
Inventories	1,835	1,619
Class action settlement escrow	2,992	—
Prepaid expenses and other current assets	1,178	1,158
Deferred income taxes	467	629
Assets of discontinued operations	969	34,224
<b>Total current assets</b>	<b>12,345</b>	<b>42,571</b>
Property, plant and equipment, net	3,556	3,501
Goodwill	11,691	11,293
Intangible assets, net	2,697	2,730
Other assets	2,526	2,916
<b>Total Assets</b>	<b>\$ 32,815</b>	<b>\$ 63,011</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities:</b>		
Loans payable and current maturities of long-term debt	\$ 380	\$ 771
Accounts payable	1,715	1,557
Class action settlement liability	2,992	—
Accrued and other current liabilities	2,921	3,012
Deferred revenue	584	476
Liabilities of discontinued operations	509	7,997
<b>Total current liabilities</b>	<b>9,101</b>	<b>13,813</b>
Long-term debt	4,076	8,853
Deferred revenue	1,194	1,200
Other liabilities	2,753	3,704
<b>Total Liabilities</b>	<b>17,124</b>	<b>27,570</b>
<b>Commitments and contingencies (Note 16)</b>		
Minority interest	67	54
<b>Shareholders' Equity:</b>		
Preference shares, \$4 par value, 31,250,000 shares authorized, none outstanding	—	—
Common shares, \$0.80 par value, 1,000,000,000 shares authorized: 496,301,846 and 498,030,095 shares outstanding, net of 1,277,449 and 26,245,695 shares owned by subsidiaries, respectively	397	398
<b>Capital in excess:</b>		
Share premium	9,189	8,787
Contributed surplus, net	5,439	14,493
Accumulated earnings	34	10,692
Accumulated other comprehensive income	565	1,017
<b>Total Shareholders' Equity</b>	<b>15,624</b>	<b>35,387</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 32,815</b>	<b>\$ 63,011</b>

See Notes to Consolidated Financial Statements.



a \$20 million payment by Tyco, \$10 million of which was paid to Mr. Walsh with the balance paid to a charity of which Mr. Walsh is trustee. The payment was purportedly made for Mr. Walsh's assistance in arranging our acquisition of The CIT Group, Inc. On December 17, 2002, Mr. Walsh pleaded guilty to a felony violation of New York law in the Supreme Court of the State of New York, (New York County) and settled a civil action for violation of federal securities laws brought by the SEC in United States District Court for the Southern District of New York. Both the felony charge and the civil action were brought against Mr. Walsh based on such payment. The felony charge accused Mr. Walsh of intentionally concealing information concerning the payment from Tyco's directors and shareholders while engaged in the sale of Tyco securities in the State of New York. The SEC action alleged that Mr. Walsh knew that the registration statement covering the sale of Tyco securities as part of the CIT Group acquisition contained a material misrepresentation concerning fees payable in connection with the acquisition. Pursuant to the plea and settlement, Mr. Walsh paid \$20 million in restitution to Tyco on December 17, 2002. Our claims against Mr. Walsh are still pending.

### 13. Debt

Debt at September 28, 2007 and September 29, 2006 is as follows (\$ in millions):

	2007	2006
6.125% Euro-denominated \$ <sup>(2)</sup> public notes due 2007	—	\$ 762
Revolving bank credit facility due 2007	—	700
364-day senior bridge loan facility due 2008 <sup>(1)</sup>	367	—
6.125% public notes due 2008	300	399
5.5% Euro-denominated notes due 2008	—	869
6.125% public notes due 2009	215	399
6.75% public notes due 2011	516	999
6.375% public notes due 2011	849	1,500
6.5% British pound denominated public notes due 2011	—	373
Revolving senior credit facility due 2012	308	—
6.0% notes due 2013	654	997
3.125% convertible senior debentures due 2023	21	750
7.0% public notes due 2028	437	497
6.875% public notes due 2029	723	790
6.5% British pound denominated public notes due 2031	—	536
Other <sup>(1)(2)</sup>	66	53
<b>Total debt</b>	<b>4,456</b>	<b>9,624</b>
<b>Less current portion</b>	<b>380</b>	<b>771</b>
<b>Long-term debt</b>	<b>\$ 4,076</b>	<b>\$ 8,853</b>

(1) These instruments, plus \$13 million of the amount shown as other, comprise the current portion of long-term debt as of September 28, 2007.

(2) These instruments, plus \$9 million of the amount shown as other, comprise the current portion of long-term debt as of September 29, 2006.